

## Message Text

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ACTION EA-10

INFO OCT-01 EUR-12 ISO-00 SP-02 AID-05 EB-07 NSC-05 RSC-01

CIEP-02 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00

COME-00 FRB-01 INR-07 NSAE-00 XMB-04 OPIC-06 LAB-04

SIL-01 L-02 H-02 DODE-00 PA-02 USIA-15 PRS-01 /111 W

----- 107385

R 210940Z JAN 75

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC PRIORITY 7435

INFO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY THE HAGUE

AMCONSUL HONG KONG

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION EC BRUSSELS

USMISSION OECD PARIS

UNCLAS TOKYO 0815

DEPT. PASS TREASURY, CEA AND FEDERAL RESERVE

E.O. 11652: N/A

TAGS: EFIN, JA

SUBJECT: JAPAN'S BALANCE OF PAYMENTS IN DECEMBER -  
PROVISIONAL

1. PROVISIONAL B/P STATISTICS SHOW USUAL DEC SEASONAL  
IMPROVEMENT IN TRADE AND CURRENT BALANCES. TRADE SURPLUS  
(NOT SEASONALLY ADJUSTED) ROSE \$551 MIL TO REACH \$1,230  
MIL LEVEL; CURRENT ACCOUNT INCREASED FROM \$149 MIL LEVEL  
OF NOV TO \$700 MIL LEVEL IN DEC. WITH DEFICIT IN NET  
LONG-TERM CAPITAL REDUCED, BASIC AND OVERALL BALANCES ALSO  
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IMPROVED. ON OTHER HAND, REVERSAL IN FLOW IN SHORT-TERM

BANKING FUNDS TO VERY LARGE \$610 MIL OUTFLOW IN DEC  
RESULTED IN DEFICIT ON OFFICIAL SETTLEMENTS BALANCE AND  
DECLINE IN RESERVES OF \$220 MIL.

2. IMPROVEMENT IN LONG-TERM CAPITAL ACCOUNT ATTRIBUTED  
BY MOF TO DEBENTURE ISSUES BY JAPANESE FIRMS ABROAD  
AND REDUCED SALES OF JAPANESE SECURITIES BY  
FOREIGNERS.

3. ON SEASONALLY ADJUSTED BASIS TRADE SURPLUS DECREASED  
\$318 MIL TO REACH \$304 MIL LEVEL. THIS IS WELL BELOW  
OCT SURPLUS WHICH REACHED \$924 MIL. EXPORT (IMF BASIS,  
SEASONALLY ADJUSTED) DECREASED \$408 MIL (8.0 PERCENT)  
FROM NOV LEVEL. IMPORTS (IMF BASIS, SEASONALLY ADJUSTED)  
DROPPED \$90 MIL (2.0 PERCENT), ALTHOUGH DEC OIL  
IMPORTS WERE UP SLIGHTLY FROM NOV LEVEL.

4. FOLLOWING ARE PRELIMINARY MOF DATA ON DEC BALANCE OF  
PAYMENTS IN MIL DOLLARS (IMF BASIS, NOT SEASONALLY  
ADJUSTED). ALL ITEMS ARE PLUS (I.E. RECEIPTS OR INCREASES  
OVER NOV UNLESS SHOWN ASC)  
INUS UNQTE.

	DEC '74	NOV '74		
	PROVISIONAL	REVISED	INCREASE	
(1) CURRENT BALANCE	700	149	551	
TRADE BALANCE	1,230	649	581	
EXPORTS	5,860	4,999	861	
IMPORTS	MINUS 4,630	MINUS 4,350	280	
SERVICES AND				
TRANSFERS	MINUS 530	MINUS 500	MINUS 30	
(2) LONG-TERM				
CAPITAL	MINUS 350	MINUS 520	170	
(3) BASIC BALANCE	350	371	721	
(4) NON-MONETARY SHORT-				
TERM CAPITAL AND				
ERRORS AND OMIS-				
SIONS COMBINED	20	602	MINUS 581	
(5) OVERALL BALANCE	370	230	140	
(6) COMMERCIAL BANKS				
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SHORT-TERM NET			
POSITION	MINUS 610	47	MINUS 657
(7) OFFICIAL SETTLE-			
MENTS BALANCE	MINUS 240	277	MINUS 517

5. SEASONALLY ADJUSTED TRADE DATA (IMF BASIS) AS FOLLOWS:

	DEC '74	NOV '74	
	PROVISIONAL	REVISED	INCREASE

EXPORTS	4,675	5,083	408
IMPORTS	MINUS 4,371	MINUS 4,461	MINUS 90
BALANCE	304	622	MINUS 318

6. EMBASSY ESTIMATE OF DEC IMPORTS (S.A.) EXCLUDING OIL IS \$2,941 MIL WHICH SOMEWHAT LOWER THAN NOV (SEE TOKYO 16370. TRADE BALANCE EXCLUDING OIL (S.A.) DECREASED SHARPLY TO SURPLUS OF \$1,733 MIL IN DEC COMPARED WITH \$2,091 MIL IN NOV. FOR 1974 AS A WHOLE, JAPAN'S SURPLUS ON NON-OIL TRADE WAS \$20,580 MIL, WHICH MORE THAN TWICE THE \$8,819 MIL NON-OIL TRADE SURPLUS OF 1973.

7. NOTE: RATES OF EXCHANGE USED BY MOF TO CONVERT TO DOLLAR BASIS WERE 300.40 YEN PER DOLLAR FOR DEC AND 300.09 YEN PER DOLLAR FOR NOV. PUBLISHED OFFICIAL RESERVES DECREASED \$220 MIL TO \$13,518 MIL. GOLD AND FOREIGN EXCHANGE TOTALED \$12,250 MIL, GOLD TRANCHE \$73.9 MIL, AND SDR'S \$529 MIL.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** BALANCE OF PAYMENTS DATA  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 21 JAN 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Document Number:** 1975TOKYO00815  
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**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750022-0506  
**From:** TOKYO  
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**Line Count:** 134  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EA  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
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**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** buchant0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 28 APR 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <28 APR 2003 by BrownAM>; APPROVED <05 JAN 2004 by buchant0>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** JAPAN'S BALANCE OF PAYMENTS IN DECEMBER - PROVISIONAL  
**TAGS:** EFIN, JA  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006